

From: Gambone, Michael [mailto:Michael.Gambone@tsa.dhs.gov]

Sent: Friday, March 28, 2014 3:23 PM

To: Pinkerton, Sharon

Subject: RE: Meeting follow up

Dear Ms. Pinkerton,

Thank you for your email of March 11, 2014, that provides an industry response of three example itineraries for purposes of implementing the Transportation Security Administration (TSA) September 11th Security Fee. Further, we appreciate you coordinating an industry response.

Please see the attached document that responds to your three example itineraries for purposes of implementing the September 11th Security Fee in accordance with the Bipartisan Budget Act of 2013 that amends 49 U.S.C. 44940(c) to impose a new fee limitation of \$5.60 per one-way trip. The attachment provides six additional itineraries to offer industry a full spectrum of fee imposition examples in advance of the publication of the Final Rule on this matter.

We remain available to offer assistance in this matter to help ensure an efficient transition. We understand the importance of this matter and appreciate your continue dialogue to help industry implement the fee changes authorized by the Bipartisan Budget Act of 2013.

Thank you again for your continued work in this matter and we look forward to further dialogue in achieving final implementation.

Regards,

Mike

From: Pinkerton, Sharon [mailto:SPinkerton@airlines.org]

Sent: Tuesday, March 11, 2014 10:24 PM

To: Gambone, Michael

Subject: Meeting follow up

Dear Mr. Gambone,

Thank you again for hosting the February 27th, 2014 roundtable to discuss the September 11th Security Fee and the Bipartisan Budget Act of 2013. As requested, A4A has coordinated an industry response with examples of itineraries for purposes of implementing the adjusted fee. A4A believes the current statutory and regulatory definitions of one-way trip itineraries, round-trip itineraries, trip stopover, and the cap on round-trip itineraries that are utilized today, should be utilized after July 1, 2014 when the new \$5.60 9/11 fee comes into effect. A4A believes the itineraries below are consistent with Congressional intent and prior TSA guidance. These examples are pulled directly from your letter to industry dated October 24, 2006.

Example 1:

Newark to Chicago (stopover)

Chicago to Denver (stopover)

Denver to Las Vegas (stopover)

Las Vegas to Chicago (stopover)

Chicago to San Francisco

TSA states, "This is a series of 5 one-way trips as each enplanement is followed by a stopover. The fee is \$2.50 x 5 enplanements, or \$12.50." A4A concurs with this definition and believes that \$28 would be collected under the 9/11 fee (\$5.60 x 5 one way trips).

Example 2:

Newark to Chicago (stopover)
Chicago to Denver (stopover)
Denver to Las Vegas (stopover)
Las Vegas to Chicago (stopover)
Chicago to Newark

TSA states that example 2 "is a round-trip itinerary because the itinerary terminates at the point of origin (or co-terminal). A4A concurs and believes that a total of \$11.20 would be collected under the new 9/11 fee.

Example 3:

Orlando to Pittsburgh (stopover)
Pittsburgh to Orlando (stopover)
Orlando to Pittsburgh (stopover)
Pittsburgh to Orlando (stopover)
Orlando to Pittsburgh (stopover)
Pittsburgh to Orlando

TSA asserts that this itinerary "constitutes three round-trips because the itinerary has two stopovers and a termination at the point of origin. The fee is 3 round trips, or \$15.00." A4A agrees with this definition: under the new 9/11 fee, \$33.60 would apply (\$11.20 x 3 round trips).

The above examples are all consistent with current programming requirements. Moreover, given the short amount of time until the adjusted fee goes into effect, these are the only interpretations that could be feasibly implemented by July 1, 2014.

Thank you again for hosting the industry, we look forward to continuing to work with you on this issue,
Sharon

Transportation Security Administration
Imposition of the September 11th Security Fee
March 28, 2014

To best illustrate the new limitation of the Transportation Security Administration (TSA) September 11th Security fee (Passenger Fee) that was established by the Bipartisan Budget Act of 2013, TSA provides the examples below to indicate the imposition of the Passenger Fee under two structures. Under current regulation, the amount of the security service fee is set at \$2.50 per enplanement with a maximum of \$5.00 per one-way trip and a maximum of \$10.00 per round trip. The Bipartisan Budget Act of 2013 amends 49 U.S.C. 44940(c) to impose a new limitation of \$5.60 per one-way trip.

One-way trip is "continuous travel from a point to a different point, during which a stopover does not occur". There may be multiple one-way trips on the same air travel itinerary. Stopover is "a break in travel of more than four (4) hours between two (2) domestic flights or twelve (12) hours between a domestic and an international flight or two international flights." These definitions were proposed by industry in 2002, were adopted by TSA, and continue to apply.

Itinerary Examples	Current Regulation Structure	Bipartisan Budget Act of 2013 Structure
<u>Example 1</u> Newark to Chicago (stopover) Chicago to Denver (stopover) Denver to Las Vegas (stopover) Las Vegas to Chicago (stopover) Chicago to San Francisco	\$12.50 5 one-way trips with 5 chargeable enplanements	\$28.00 5 one-way trips
<u>Example 2</u> Newark to Chicago (stopover) Chicago to Denver (stopover) Denver to Las Vegas (stopover) Las Vegas to Chicago (stopover) Chicago to Newark	\$10.00 1 round trip with 4 chargeable enplanements	\$28.00 5 one-way trips
<u>Example 3</u> Orlando to Pittsburgh (stopover) Pittsburgh to Orlando (stopover) Orlando to Pittsburgh (stopover) Pittsburgh to Orlando (stopover) Orlando to Pittsburgh (stopover) Pittsburgh to Orlando	\$15.00 3 round trips with 6 chargeable enplanements	\$33.60 6 one-way trips

Transportation Security Administration
Imposition of the September 11th Security Fee
March 28, 2014

Itinerary Examples	Current Regulation Structure	Bipartisan Budget Act of 2013 Structure
<u>Example 4</u> Washington Dulles to Chicago (stopover) Chicago to Washington Dulles	\$5.00 1 round trip with 2 chargeable enplanements	\$11.20 2 one-way trips
<u>Example 5</u> Washington Dulles to Chicago Chicago to Los Angeles (stopover) Los Angeles to Chicago Chicago to Washington Dulles	\$10.00 1 round trip with 4 chargeable enplanements	\$11.20 2 one-way trips
<u>Example 6</u> Washington Dulles to Chicago Chicago to Los Angeles Los Angeles to Seattle (stopover) Seattle to Los Angeles Los Angeles to Chicago Chicago to Washington Dulles	\$10.00 1 round trip with 4 chargeable enplanements	\$11.20 2 one-way trips
<u>Example 7</u> Washington Dulles to Chicago Chicago to Los Angeles Los Angeles to Seattle (stopover) Seattle to Los Angeles	\$7.50 2 one-way trips with 3 chargeable enplanements	\$11.20 2 one-way trips
<u>Example 8</u> Paris to New York New York to Chicago	\$2.50 1 one-way trip with 1 chargeable enplanement	\$5.60 1 one-way trip
<u>Example 9</u> Chicago to New York (stopover) New York to Frankfurt (stopover) Frankfurt to Chicago Chicago to Minneapolis	\$7.50 3 one-way trips with 3 chargeable enplanements	\$16.80 3 one-way trips